# Message Text

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INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-01 INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 IO-13 AID-05 COME-00 EB-08 FRB-03 TRSE-00 XMB-02 OPIC-03 LAB-04 SIL-01 OMB-01 DHA-02 /100 W

R 231815Z MAR 77 FM AMEMBASSY ROME TO SECSTATE WASHDC 3532

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E.O. 11652: GDS
TAGS: PINT, PFOR, IT
SUBJ: AMBASSADOR'S CALLS ON SENATE PRESIDENT FANFANI (DC)
AND CHAMBER PRESIDENT INGRAO (PCI)

1. AS PART OF MY INTRODUCTORY ROUND OF CALLS DEMANDED BY ITALIAN PROTOCOL, I HAD AN HOUR'S VISIT MARCH 23 WITH SENATE PRESIDENT FANFANI FOLLOWED BY A HALF-HOUR'S CALL ON CHAMBER PRESIDENT INGRAO. I WAS WELCOMED WARMLY BY BOTH VETERAN POLITICAL LEADERS. TO BOTH, I STRESSED THE IMPORTANCE WE ATTACH TO ITALY'S ABILITY TO RESOLVE ITS SERIOUS POLITICAL, ECONOMIC AND SOCIAL PROBLEMS IN A DEMOCRATIC FRAMEWORK.

2. SPEAKING IN AN ANIMATED, PROFESSORIAL MANNER, FANFANI WARMLY RECALLED OUR PREVIOUS MEETINGS AND ENGAGED IN COMPREHENSIVE COMMENTARY ON ITALY'S DIFFICULT POLITICAL SITUATION WHICH INCLUDED HIS SOMEWHAT OPTIMISTIC PROGNOSIS FOR THE IMMEDIATE FUTURE. SINCE ALL PARTIES AGREE THAT A GOVERNMENT CRISIS AT THIS TIME WOULD AGGRAVATE THE SITUATION, FANFANI BELIEVES THAT THE POLITICAL PARTIES WILL BE ABLE TO AVOID THE CRISIS PRESENTED BY THE APPARENT IMPASSE ON THE IMF STANDBY LOAN PRECONDITIONS. NOTING THAT PARLIAMENT HAD TO APPROVE THE GOVERNMENT'S "FISCALIZACONFIDENTIAL

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TION" DECREE LAWS BEFORE THEY EXPIRED ON APRIL 8, FANFANI THOUGHT THAT A SOLUTION COULD BE REACHED AFTER THE SENATE BEGINS DISCUSSION OF THE DECREES MARCH 30. IF AGREEMENT IS SECURED IN THE SENATE, THE SUBSEQUENT CHAMBER DEBATE WILL BE PERFUNCTORY.

3. FANFANI BASED HIS ASSESSMENT ON THE LIKELIHOOD

THAT THE SUSTAINING POLITICAL PARTIES WILL REACH A "PROGRAMMATIC ACCORD" ON BASIC ELEMENTS OF THE ECONOMIC PROGRAM (HE STRESSED THAT IN NO CASE WOULD SUCH AN AGREEMENT INVOLVE POLITICAL CONSIDERATIONS). HE NOTED THAT THE PSI RECENTLY SHIFTED ITS EMPHASIS FROM EMERGENCY GOVERNMENT TO DEMANDS FOR A "PROGRAMMATIC MAJORITY." HE DREW MY ATTENTION ALSO TO RECENT DC STATEMENTS SUGGESTING THE POSSIBILITY OF REACHING AGREEMENT BETWEEN THE PARTIES ON "SOME PROGRAMMATIC POINTS."

4. ONCE OVER THE POLITICAL SHOALS POSED BY THE IMF CRITERIA, FANFANI DOUBTED THAT THE GOVERNMENT WOULD FACE FURTHER DANGERS UNTIL AFTER THE EASTER HOLIDAYS. HE CHARACTERIZED AS ASSURING THE FACT THAT THE PSI HAD POSTPONED ITS CENTRAL COMMITTEE MEETING UNTIL AFTER EASTER, INDICATEING THAT THE PSI DOES NOT WISH TO PROVOKE A CRISIS. AFTER EASTER, FANFANI SAID THAT THE DEBATE ON PUBLIC ORDER (IE. THE DC LEGISLATIVE PROPOSAL TO AUTHORIZE PREVENTIVE DETENTION) COULD RAISE POLITICAL TENSIONS ANEW, BUT HE DOUBTED IT WOULD JEOPARDIZE THE GOVERNMENT'S LIFE. THEREAFTER, MUCH WOULD DEPEND ON HOW THE PUBLIC SECURITY AND ECONOMIC SITUATION UNFOLDS.

5. FANFANI DESCRIBED THE ANDREOTTI MINORITY GOVERN-MENT FORMULA AS LACKING POLITICAL CLARITY. THE DC THEREFORE HAD TO CONTINUE ITS EFFORTS TO ENGAGE THE PSI AND MINOR DEMOCRATIC PARTIES (HE INTERESTINGLY CONFIDENTIAL

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EXCLUDED THE PRI AS BEYOND THE PALE) IN A NEW FORM OF COALITION PARTNERSHIP. HE EXCLUDED EARLY PARLIAMENTARY ELECTIONS AS A SOLUTION SINCE THE PSI AND MINOR PARTIES WOULD BE DECIMATED, THEREBY STRENGTHENING THE ROLE OF THE PCI WHETHER IT DID WELL ELECTORALLY OR NOT.

6. IN RESPONSE TO MY QUESTION AS TO WHETHER THE PCI, WITH ITS INCREASING INTERNAL DIFFICULTIES, WOULD CONTINUE TO SUPPORT THE DC MINORITY GOVERNMENT MUCH LONGER, FANFANI THOUGHT THE PCI HAD LITTLE CHOICE. BOTH A RETURN TO THE OPPOSITION (A NEGATION OF THE BERLINGUER LINE) AND AN INCREASED ORGANIZATIONAL ROLE IN GOVERNMENT (OPPOSED BY THE DC) SEEMED "IMPOSSIBLE" TO HIM. AS A RESULT, THE PCI IS IN A QUANDARY AS EVIDENCED BY THE INCONCLUSIVENESS OF THE PARTY'S RECENT CC MEETING AND HIGHLIGHTED BY BERLINGUER'S FAILURE TO ADDRESS THE LAST ONE.

7. IN A CIRCUMLOCUTORY MANNER, FANFANI REVEALED HIS CONCERN THAT THE LEFT PARTIES HAVE SOUGHT TO INTERPRET CARTER ADMINISTRATION PRONOUNCEMENTS IN A WAY THAT SUGGESTS US "ABANDONMENT" OF THE DC AND "BENEDICTION" OF THE PCI. HE SAID THAT HE WELL UNDERSTANDS THAT THE US MUST REGARD DIVISIONS IN THE COMMUNIST WORLD AS WELCOME AND USEFUL TO OUR OVERALL OBJECTIVES. HOWEVER, MANY ITALIANS DO NOT UNDERSTAND THIS. WHILE IT WAS NATURAL FOR AMBASSADORS, AND PARTICULARLY THE US AMBASSADOR, TO SEE "EVERYONE", ITALIANS HAVE AN UNFORTUNATE HABIT OF DRAWING UNWARRANTED CONCLUSIONS. AND THEREFORE THE SITUATION DEMANDED CONSIDERABLE CAUTION. I RESPONDED BY STATING THAT I WAS WELL AWARE OF THE DIFFICULTIES IN THIS REGARD, I ALSO ASSURED FANFANI THAT ALTHOUGH I WOULD EXERCISE GREAT CARE TO AVOID ANY IMPRESSION OF INTERFERENCE IN ITALIAN AFFAIRS, WE DID NOT ASCRIBE TO THE SOVIET DEFINITION CONFIDENTIAL

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OF "DEMOCRATIC" WHEN WE SPOKE OF OUR SUPPORT FOR ITALY'S DEMOCRATIC INSTITUTIONS.

8. MY MEETING WITH FANFANI WAS FOLLOWED IMMEDIATELY BY MY CALL ON CHAMBER PRESIDENT INGRAO (PCI). HE WELCOMED ME TO ITALY BOTH PERSONALLY AND IN THE NAME

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OF THE ENTIRE CHAMBER OF DEPUTIES. IN THE COURSE OF OUR MEETING, INGRAO ASKED ME TO EXTEND HIS BEST WISHES TO PRESIDENT CARTER AND TO THE AMERICAN PEOPLE AND EXPRESSED HIS APPRECIATION FOR THE TENOR OF THE RECENT PUBLIC MEDIA STATEMENTS WHICH I HAVE MADE REGARDING MY MISSION HERE IN ITALY.

9. IN RESPONSE TO A QUESTION, INGRAO SAID THAT THE MOMENT IS NEARING FOR A CLARIFICATION OF THE ITALIAN POLITICAL SYSTEM.HE EXPRESSED SATISFACTION AT THE EVOLUTION OF EVENTS IN THE POST-JUNE 20 PERIOD, NOTING THAT A NEW SITUATION HAD BEEN CREATED WHICH HAD BEEN FRAUGHT WITH PITFALLS. IN GENERAL THE ANDREOTTI GOVERNMENT HAD NAVIGATED THE DIFFICULT WATERS IN A POSITIVE MANNER ASSISTED BY GENERALLY POSITIVE AND CONSTRUCTIVE POSITIONS OF THE VARIOUS POLITICAL PARTIES.

10. CONTINUING, INGRAO STRESSED THAT THERE ARE NOW SERIOUS PROBLEMS FACING THE COUNTRY, THE MOST IMPORTANT BEING THE HEALTH OF THE ECONOMY, LAW AND ORDER, AND THE WORKING OF THE STATE APPARATUS. IN INGRAO'S VIEW, THE CURRENT GOVERNMENT LACKS THE AUTHORITY TO DEAL DECISIVELY WITH ANY OF THESE PROBLEMS, THUS CONFIDENTIAL

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NECESSITATING THE NEED TO FIND A NEW GOVERNING FORMULA WHICH CAN LEAD THE NATION WITH A MORE RESOLUTE HAND.

11. REFERRING TO THE INTER-PARTY TENSIONS OF THE LAST SEVERAL DAYS OVER THE CONDITIONS FOR THE IMF LOAN, INGRAO OPINED THAT COOL HEADS ARE PREVAILING AND THAT THE SITUATION IS NOW SOMEWHAT CALMER, EASING FEARS OF AN IMMEDIATE GOVERNMENT CRISIS. WITHOUT GOING INTO SPECIFICS, INGRAO INDICATED THAT THE ITALIAN WORKERS ARE PREPARED TO MAKE SACRIFICES, PARTICULARLY IF THE POLITICAL CLASS IS ABLE TO DEMONSTRATE THAT THESE WILL BE SHARED BY THE ITALIAN POPULATION AS A WHOLE.

12. IN CONTRAST TO THE MEETING WITH SENATE PRESIDENT FANFANI WHERE NO PRESS WAS PRESENT, SEVERAL PHOTOGRAPHERS WERE ON HAND AT THE CHAMBER OF DEPUTIES TO RECORD THE MEETING BETWEEN INGRAO AND MYSELF.GARDNER

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	Margaret P. Grafeld	Declassified/Released	US Department of State	EO Systematic Review	22 May 2009
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